

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20054

AUG 4 1999

In the Matter of)	
)	
Numbering Resource Optimization)	CC Docket No. 99-200
)	
Connecticut Department of Public)	RM No. 9258
Utility Control Petition for Rulemaking to)	
Amend the Commission's Rule)	
Prohibiting Technology-Specific or Service-)	
Specific Area Code Overlays)	
)	
Massachusetts Department of)	NSD File No. L-99-17
Telecommunications and Energy Petition)	
For Waiver to Implement a Technology-)	
Specific Overlay in the 508, 617, 781, and)	
978 Area Codes)	
)	
California Public Utilities Commission)	NSD File No. L-99-36
and the People of the State of California)	
Petition for Waiver to Implement a)	
Technology-Specific or Service-Specific)	
Area-Code)	

COMMENTS

The National Exchange Carrier Association, Inc. (NECA) submits these comments in response to the Federal Communications Commission's (FCC or Commission) *Notice of Proposed Rulemaking*.¹ The *NPRM* invites comment on a variety of administrative and technical measures intended to increase the efficiency with which

¹ Numbering Resource Optimization, Connecticut Department of Public Utility Control Petition for Rulemaking to Amend the Commission's Rule Prohibiting Technology-Specific or Service-Specific Area Code Overlays, Massachusetts Department of Telecommunications and Energy Petition For Waiver to Implement a Technology-Specific Overlay in the 508, 617, 781, and 978 Area Codes, California Public Utilities Commission and the People of the State of California Petition for Waiver to Implement a Technology-Specific or Service-Specific Area-Code, CC Docket No. 99-200, RM No. 9258, NSD File No. L-99-17, and NSD File No. L-99-36, *Notice of Proposed Rulemaking*, FCC 99-122 (June 2, 1999) (*Notice of Proposed Rulemaking* or *NPRM*).

telecommunications carriers use telephone numbering resources.² Additionally, the Commission seeks comment on cost recovery issues related to thousands-block number pooling (NP).³

Specifically, the Commission proposes that shared industry costs, such as North American Numbering Plan (NANP) administrative costs and enhancements to the existing number portability databases, be allocated among all telecommunications carriers in proportion to each carrier's intrastate, interstate, and international end-user telecommunications revenues.⁴ Carriers would treat their respective portions of shared industry costs as carrier-specific costs of NP.⁵ The Commission proposes that all carrier-specific costs directly related to NP be recovered through the existing cost recovery mechanisms of rate-of-return (ROR) or price-cap regulation adjustments.⁶ Such a mechanism would allow ROR carriers to assign these costs to the interstate jurisdiction, and recover them through interstate access charges.

NECA agrees with the Commission's recommendation that ROR incumbent local exchange carriers (ILECs) be permitted to recover carrier specific NP costs through existing interstate cost recovery mechanisms.

² See *NPRM* at ¶¶ 1 and 7.

³ See *NPRM* at ¶ 197. The Commission explains that thousands-block number pooling involves three categories of costs: (1) shared industry costs, (2) carrier-specific costs related to thousands-block pooling implementation, and (3) carrier-specific costs not directly related to thousands-block pooling implementation. The Commission tentatively concludes that the third category of costs does not require a special recovery provision, and they may be recovered by carriers in any lawful manner. See *NPRM* at ¶ 199.

⁴ See *NPRM* at ¶ 201.

⁵ *Id.*

⁶ See *NPRM* at ¶ 204.

The carrier specific costs associated with number pooling are directly tied to and dependent on the existence of local number portability. It therefore follows that the costs incurred by rate of return ILECs in support of LNP should be recovered in a similar fashion to the costs associated with NP.⁷ As NECA and other industry representatives have explained to the Commission, current Commission rules deny rate of return ILECs who are not LNP capable a cost recovery mechanism for costs they incur in support of the LNP program.⁸ Section 52.33(a) of the Commission rules permits ILECs who are capable of providing LNP to recover their LNP-related costs via federally-tariffed end-user charges.⁹ However, no recovery mechanism is specified for non-LNP-capable ILECs. If the Commission determines that section 251(e) of the Act¹⁰ permits ROR carriers to recover NP-related costs in current interstate cost recovery mechanisms (*i.e.*, access charges), there is no reason why the Act should not permit non-LNP-capable ILECs from utilizing these methods as well for recovery of LNP costs.¹¹

In the event the Commission decides to pursue a NP mechanism, it should adopt its proposal to allow ROR carriers to recover their costs through existing cost recovery

⁷ See *NPRM* at ¶ 29.

⁸ See for example Joint Petition of the NECA, National Rural Telecom Association, Organization for the Promotion and Advancement of Small Telecommunications Companies, and United States Telephone Association for Expedited Interim Waiver of Section 52.33(a) of the Commission's Rules, *Petition for Expedited Interim Waiver* (fil. Mar. 19, 1999), and NECA Notice of *Ex Parte* Presentations (fil. July 14, 1998, Nov. 2, 1998, Mar. 10, 1999, May 12, 1999, June 23, 1999, and June 24, 1999).

⁹ See 47 C.F.R. § 52.33(a).

¹⁰ Section 251(e)(2) of the Act states:

The cost of establishing telecommunications number administration arrangements and number portability shall be borne by all telecommunications carriers on a competitively neutral basis as determined by the Commission.

¹¹ See Letter from Richard A. Askoff, NECA, to Lawrence E. Strickling, Chief, Common Carrier Bureau, re: Recovery of Telephone Number Portability Related Costs, CC Docket No. 95-116 (July 23, 1999).

mechanisms. Additionally, the Commission should clarify that non-LNP-capable ILECs can use a similar mechanism to recover their LNP-related costs.

July 30, 1999

Respectfully submitted,

NATIONAL EXCHANGE CARRIER
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CERTIFICATE OF SERVICE

I hereby certify that copy of the Comments was served this 30th day of July 1999, by electronic filing, hand delivery or first class mail, to the persons listed below.

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